

Personal Income by States, for 1964

Most States Share in Fourth Consecutive Year of Economic Expansion

PERSONAL income advanced to a new high in nearly every State in 1964, the fourth consecutive year of the current economic expansion. For the country as a whole, individual incomes totaled \$488 billion, an increase of \$26 billion, or 6 percent, over the 1963 figure of \$462 billion.

State income changes were comparatively uniform from 1963 to 1964. Where departures from the general pattern did occur they were mainly the result of declines in farm income. In 39 States and the District of Columbia, changes in nonfarm income were within 1 percentage point of the national rate. An additional seven States were within 2 percentage points of the national increase.

Regional movements

The largest relative regional gain last year was in the Southeast, where aggregate income rose 7 percent compared with the 6 percent national rate of gain. Large wage and salary increases in construction and manufacturing, coupled with above-average gains in all other major private nonfarm industries, were responsible for the region's top-ranking position. The rate of advance in the Southeast surpassed gains in all other areas by a wider margin in private nonfarm income than in total income.

In the Mideast, Great Lakes, Southwest, and Far West regions, which account for two-thirds of the Nation's income, the rate of gain matched the 6-percent advance experienced by the Nation.

In the Mideast, small relative lags in the construction, manufacturing, trade, and finance industries were approximately offset by slight relative gains in other industries.

NOTE.—The estimates of personal income were prepared by James Welsh, Vivian Conklin, and Sandra Bodine.

The average gain in income in the Great Lakes region reflected divergent State movements. On the one hand, the unusually high rate of motor vehicle production brought about a strong pickup in economic activity in Michigan. However, all other States of the area except Wisconsin felt the effects of lower farm income and lagged behind the national growth rate.

A spurt in manufacturing activity in the Southwest compensated for small relative declines in most major industries. In Texas and Oklahoma, electronics and aerospace manufacturing were the pacesetters.

In the Far West, an upswing in agricultural income and increased earnings in the service and distributive industries offset a relative decline in factory payrolls, and total income rose at average rates.

New England's income expansion last year fell slightly behind the national pace as manufacturing, New England's largest industry, advanced at a less-than-average rate.

In the Plains and Rocky Mountain States—both major agricultural regions—slumps in income from farming held the rise in total income to 3 percent, the smallest regional increase. It is significant that in every State of these two regions, nonfarm income rose at approximately average rates although farm income was down.

State changes

On a State basis, deviations from the national increase of 6 percent ranged from an 11-percent advance in Alaska to a 6-percent decline in South Dakota. Virginia and Florida scored gains of 9 percent. Personal income was down a little in North Dakota and Montana, while in all the other Plains States, except Missouri, and in Idaho and

Wyoming of the Rocky Mountain region, increases were generally limited to 1 or 2 percent. In the remaining States, personal income advances were generally close to the national average.

Per capita personal income

Nationally, per capita personal income (total income divided by total population) amounted to \$2,550 in 1964—about \$100 more than the \$2,448 recorded for 1963. Most of this 4-percent increase represented a gain in real buying power, as consumer prices were up approximately 1 percent from 1963.

Among States, average incomes were highest in Delaware (\$3,426), Connecticut (\$3,250), Nevada (\$3,248), New York (\$3,139), Alaska (\$3,128), California (\$3,092), Illinois (\$3,003), New Jersey (\$2,962), and Massachusetts (\$2,922). In the District of Columbia, per capita income amounted to \$3,515 last year.

At the lower end of the scale, States with per capita incomes of less than \$1,800 were Alabama (\$1,737), South Carolina (\$1,647), Arkansas (\$1,633), and Mississippi (\$1,444).

Income Trends Since 1960

Total personal income in the United States has moved up 22 percent over the past 4 years of economic expansion. Since 1960 was depressed somewhat because of the recession in the second half of the year, part of the 1960-64 increase reflects a cyclical recovery. Nonetheless, one can see a clear continuation of the long-term trend of income to move from the north and east to the south and west. For example, 16 of the 22 States in the south and west shared in the above-average rates of gain that characterized their regions.

On a per capita basis, the tendency of income in most States to converge toward the national mean seems to be reasserting itself after a number of years during which trends were not clear.

Industrial developments in 1960-64

For the country as a whole, earnings of persons engaged in manufacturing provided a major impetus to the 22 percent gain in personal income. Industrial payrolls were a major factor in the upswing of personal income in every region, and in the highly industrialized Great Lakes area, manufacturing earn-

ings accounted for nearly one-third of the total advance.

On a State basis, outstanding relative gains in manufacturing were scored in the less industrialized States of North Dakota, Mississippi, Arkansas, and Nevada, where the factory earnings rose more than twice the national rate of 18 percent.

In several States, relative declines in one or two manufacturing industries that dominate the economy limited the growth of total factory payrolls. In all the New England States except Connecticut, losses in textiles and elec-

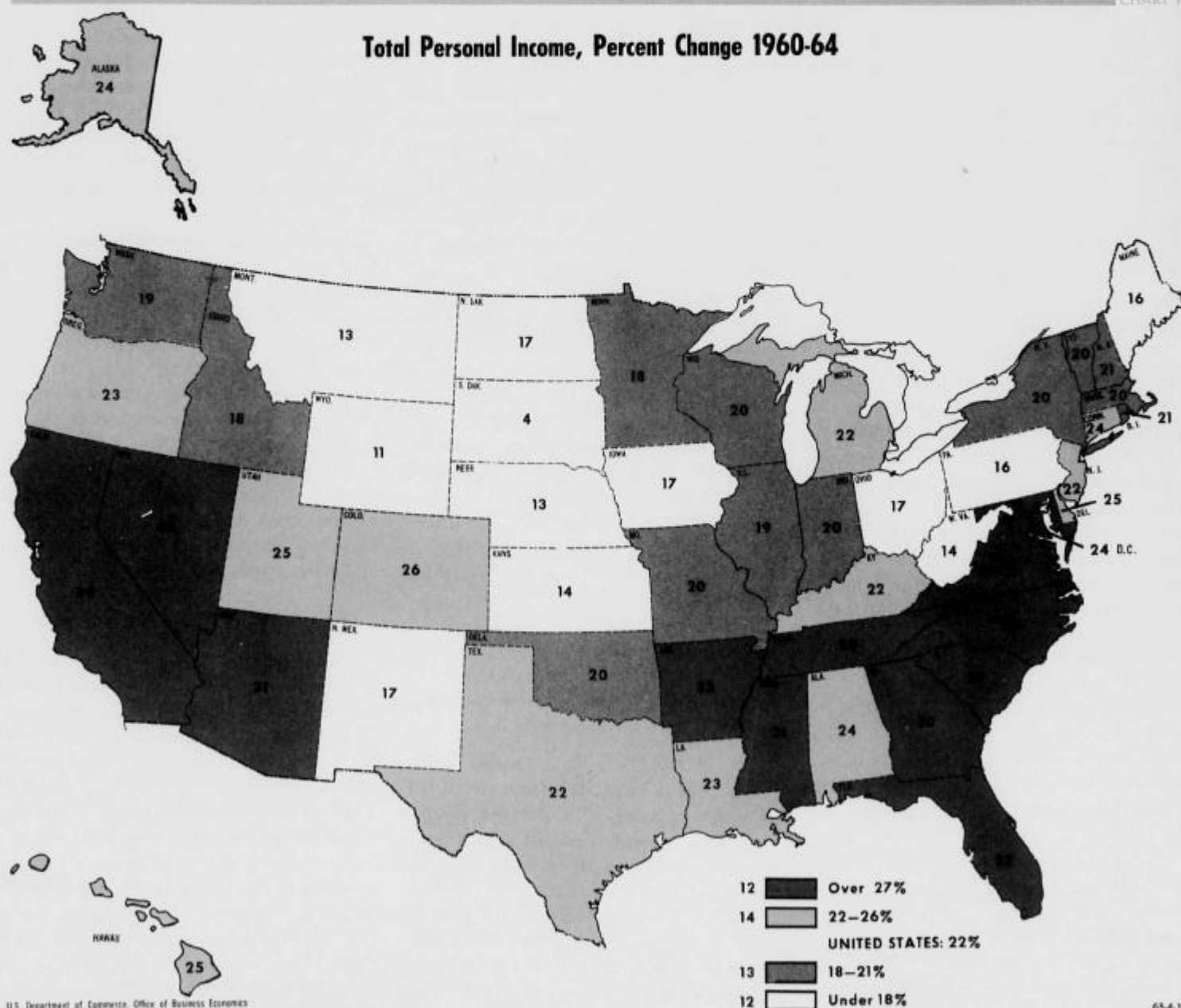
tronics slowed down economic growth. Shifts of defense contracts were generally responsible for the less-than-average increases in the States of the Great Lakes and Mideast regions. In Michigan, factory earnings, sparked by continued gains in the automobile industry, were up to 22 percent.

Farm income stable

Nationally, agricultural income—the sum of farm wages, other labor income, and the net income of farm proprietors—held steady from 1960 to 1964. There were, however, significant differences among the States. In several States where agriculture is im-

CHART 11

Total Personal Income, Percent Change 1960-64



portant, growth or declines in agricultural income played a key role in altering State economic growth.

For example, in the Plains region and in Montana and Wyoming, personal incomes rose at rates less than three-fourths that of the Nation. These below-average increases are attributable

directly to the declines in agriculture, which accounts for more than one-eighth of total income in these areas. While agricultural income in these areas was down relative to the Nation, nonfarm income advanced at the national rate. In contrast, outstanding gains in farm income helped account for Florida's and Mississippi's top-

ranking gains in total personal income over the 1960-64 period.

Government incomes up

Government income disbursements to individuals, a major influence on the advance of individual incomes throughout the country, rose \$23.4 billion, or

(Continued on page 87)

Table 1.—Total and Per Capita Personal Income, by States and Regions, 1963-64

Table 2.—Percent Changes in Industrial Sources of Personal Income, by States and Regions, 1963-64¹

State and region	Table 1									Table 2									
	Total personal income			Per capita personal income						Total non-farm	Mining	Contract construction	Manufacturing	Wholesale and retail trade	Finance, insurance, and real estate	Transportation, communication, and public utilities	Services	Government ²	
	Amount (million dollars)	Percent change 1963 to 1964	1963	Amount (dollars)					Percent of national average 1964										
				1960	1961	1962	1963	1964											
United States.....	461,619	467,891	6	2,217	2,268	2,297	2,448	2,558	100	6	3	2	6	4	4	7	8		
New England.....	29,799	31,359	5	2,455	2,534	2,599	2,733	2,834	111	5	3	11	3	5	3	6	7		
Maine.....	1,071	1,147	7	1,069	1,137	1,194	1,260	1,330	94	5	11	8	5	2	7	7	7		
New Hampshire.....	1,420	1,433	0	2,079	2,130	2,219	2,283	2,343	95	6	-15	9	4	5	2	9	7		
Vermont.....	837	877	5	1,882	1,933	2,042	2,042	2,144	94	5	5	3	3	4	10	6	6		
Massachusetts.....	14,389	15,669	9	3,511	3,650	3,737	3,811	3,923	115	4	8	13	2	3	3	4	4		
Rhode Island.....	2,183	2,295	5	2,130	2,247	2,344	2,414	2,475	97	6	-20	12	4	3	4	6	6		
Connecticut.....	8,490	8,989	6	2,364	2,504	2,634	2,727	2,836	127	5		10	2	5	7	11	11		
Midwest.....	112,517	119,574	6	2,581	2,633	2,743	2,819	2,943	105	5	4	6	6	3	5	7	8		
New York.....	53,351	56,280	5	2,778	2,885	2,984	3,015	3,130	133	5	7	3	4	3	5	7	8		
New Jersey.....	16,361	17,792	8	2,082	2,221	2,332	2,378	2,503	116	5	4	3	3	3	8	7	8		
Pennsylvania.....	26,017	28,500	6	2,264	2,375	2,477	2,492	2,675	101	5	8	6	4	3	5	8	7		
Delaware.....	1,570	1,682	7	3,002	3,090	3,148	3,271	3,426	124	5	3	7	6	4	7	10	10		
Maryland.....	9,193	9,913	8	2,395	2,607	2,637	2,734	2,888	112	5	10	12	3	5	9	12	12		
District of Columbia.....	2,045	2,340	7	2,045	2,340	2,311	2,314	2,315	128	7		6	5	6	8	8	8		
Great Lakes.....	87,073	92,557	6	2,373	2,454	2,513	2,486	2,726	107	5	4	10	6	3	4	7	8		
Michigan.....	20,524	22,138	7	2,520	2,627	2,681	2,768	2,733	107	5	5	15	5	5	9	6	6		
Ohio.....	25,164	26,400	4	2,335	2,395	2,433	2,510	2,633	102	5	7	6	5	3	7	8	7		
Indiana.....	11,646	12,201	5	2,180	2,214	2,337	2,437	2,620	99	7		22	5	5	6	12	12		
Illinois.....	20,020	21,405	6	2,034	2,115	2,176	2,269	2,308	118	5	3	7	5	4	6	7	8		
Wisconsin.....	9,517	10,238	8	2,103	2,218	2,300	2,385	2,492	98	6	4	5	5	3	7	12	12		
Plains.....	35,534	37,495	3	1,941	1,938	1,938	2,132	2,258	91	5	4	3	5	3	6	9	9		
Minnesota.....	8,142	8,330	2	2,073	2,149	2,208	2,334	2,372	93	5	4	6	4	3	6	9	9		
Iowa.....	6,380	6,533	2	1,024	1,108	1,203	1,323	1,378	93	5	1	7	5	2	6	8	8		
Missouri.....	10,960	11,441	5	1,283	1,339	1,384	1,486	1,595	102	6	13	8	5	3	7	7	11		
North Dakota.....	1,380	1,398	0	1,740	1,833	1,901	2,015	2,012	79	7	8	28	3	4	4	10	10		
South Dakota.....	1,380	1,310	-5	1,844	1,842	1,877	1,863	1,892	72	1	2	-22	1	2	2	7	7		
Nebraska.....	3,375	3,407	1	1,135	1,147	1,275	1,380	1,392	90	4	-9	5	3	3	5	7	9		
Kansas.....	4,017	4,141	2	2,060	2,138	2,222	2,263	2,311	94	4		-6	7	4	0	9	9		
Southeast.....	74,369	79,620	7	1,660	1,651	1,734	1,814	1,911	75	5	5	11	5	5	8	9	9		
Virginia.....	8,907	9,738	9	1,644	1,694	1,764	1,847	1,962	87	5	1	9	5	4	9	10	10		
West Virginia.....	3,345	3,525	5	1,671	1,781	1,789	1,847	1,962	77	5	4	14	4	4	2	9	10		
Kentucky.....	5,545	5,720	3	1,535	1,630	1,785	1,774	1,811	71	3		-2	4	4	9	7	7		
Tennessee.....	6,588	7,035	7	1,535	1,610	1,676	1,768	1,862	73	3	5	11	5	5	4	8	13		
North Carolina.....	8,001	8,217	7	1,559	1,628	1,728	1,797	1,900	75	3	-2	9	5	4	7	7	8		
South Carolina.....	2,944	3,209	7	1,281	1,432	1,520	1,575	1,647	74	3	-3	7	5	4	6	9	9		
Georgia.....	7,715	8,299	8	1,608	1,699	1,740	1,823	1,933	70	3	7	10	5	5	8	10	10		
Florida.....	11,533	13,008	9	1,669	1,833	2,081	2,157	2,280	89	9	11	14	5	4	8	11	11		
Alabama.....	5,528	5,918	7	1,462	1,487	1,548	1,646	1,737	88	8	5	23	5	4	7	11	6		
Mississippi.....	3,150	3,341	5	1,167	1,227	1,277	1,302	1,444	87	8		10	5	5	5	11	11		
Louisiana.....	6,072	6,483	6	1,606	1,638	1,689	1,778	1,944	72	5	8	21	5	5	8	8	8		
Arkansas.....	2,986	3,187	4	1,337	1,430	1,486	1,570	1,633	64	5		1	5	5	7	7	6		
Southwest.....	31,502	33,382	6	1,909	1,971	2,012	2,074	2,188	85	6	2	7	5	4	8	9	9		
Oklahoma.....	4,358	4,756	9	1,841	1,988	1,980	2,085	2,085	82	6	3	11	5	4	8	7	9		
Texas.....	21,351	22,611	6	1,920	1,985	2,019	2,088	2,175	85	7	2	9	5	5	3	10	10		
New Mexico.....	1,923	2,024	4	1,815	1,870	1,930	1,981	2,010	79	6	-1	10	7	2	8	8	10		
Arizona.....	8,340	8,506	4	2,019	2,079	2,170	2,203	2,218	87	6	5	1	5	6	4	7	10		
Rocky Mountain.....	19,847	21,029	3	2,885	2,925	2,985	3,111	3,248	91	4	1	-1	4	4	3	8	8		
Montana.....	1,535	1,630	1	2,007	2,035	2,125	2,216	2,183	85	2	7	-10	4	4	2	7	7		
Idaho.....	1,366	1,392	2	1,785	1,810	1,844	1,988	2,012	79	5	9	5	4	4	2	10	7		
Wyoming.....	834	849	2	2,311	2,301	2,440	2,490	2,476	97	4	-2	5	4	2	4	7	7		
Colorado.....	4,831	5,090	5	2,322	2,365	2,452	2,549	2,581	102	5	2	5	5	6	8	7	7		
Utah.....	2,883	3,157	4	1,912	1,965	2,087	2,145	2,274	88	3	-4	-8	3	2	3	8	9		
Far West.....	65,798	69,966	6	3,425	3,684	3,902	3,889	3,997	138	6	4	3	7	7	8	8	8		
Washington.....	7,875	7,901	4	2,367	2,408	2,522	2,535	2,634	103	3	-6	-2	7	4	5	7	8		
Oregon.....	4,658	4,808	7	2,328	2,385	2,480	2,487	2,607	103	7	27	7	6	6	8	8	8		
Nevada.....	1,246	1,325	5	2,881	2,920	3,182	3,283	3,286	127	7	0	-8	9	0	10	12	10		
California.....	12,817	13,612	7	2,722	2,784	2,888	2,983	3,092	121	7	7	20	3	7	6	8	8		
Alaska.....	704	782	11	3,772	3,672	2,743	2,839	3,128	129	12	3	43	2	5	1	10	15		
Hawaii.....	1,607	1,777	7	2,292	2,380	2,438	2,484	2,679	101	8		16	2	7	8	11	5		

1. Consists of wage and salary disbursements, other labor income, and proprietors' income.
2. Does not include earnings of military personnel.

NOTE.—U.S. totals include Alaska and Hawaii.

SOURCE: Office of Business Economics, U.S. Department of Commerce.

Table 9.—Variability Coefficients¹ for Per Capita Income and Taxes, 1929, 1940, 1946-63

[Percent]

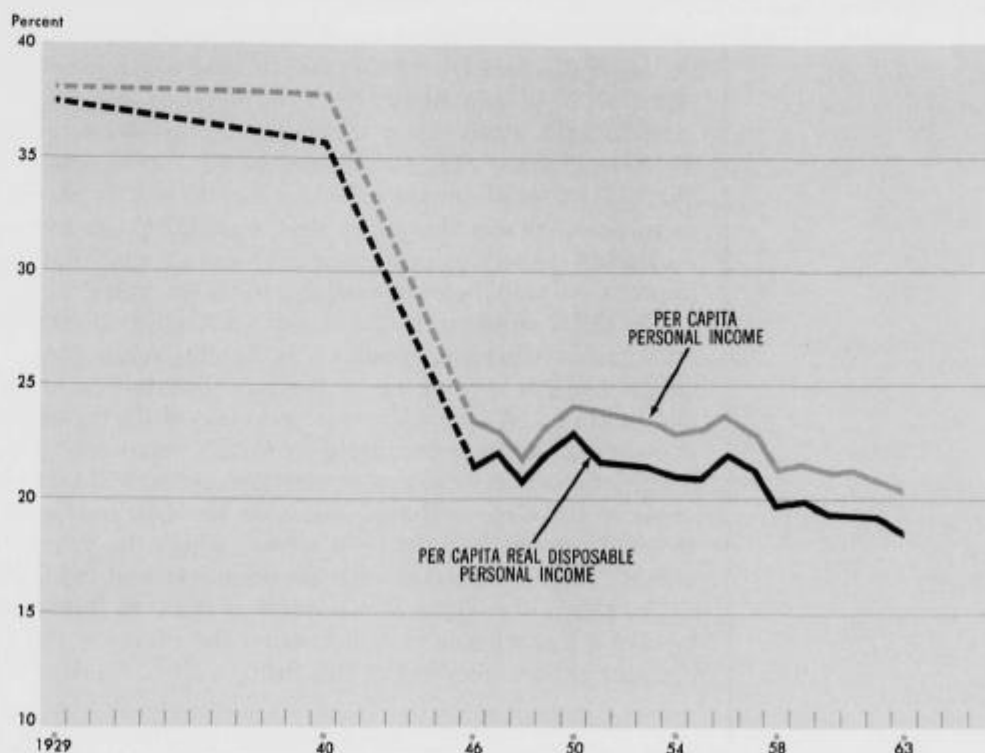
Year	Per capita income			Per capita personal taxes and nontax payments		
	Real disposable income	Disposable income	Personal income	Total, Federal and State and local	Federal	State and local
1929.....	37.4	37.5	38.1	74.9	129.9	47.4
1940.....	35.7	35.9	37.8	102.9	177.3	34.8
1946.....	21.4	21.4	23.4	45.4	48.4	37.5
1947.....	21.9	21.2	23.0	41.0	43.2	39.8
1948.....	20.6	20.3	21.8	41.2	43.6	42.1
1949.....	22.0	21.9	23.3	43.0	46.0	43.1
1950.....	22.8	22.5	24.1	46.5	49.7	44.5
1951.....	21.7	21.7	23.8	46.6	49.1	44.7
1952.....	21.5	21.3	23.7	43.4	45.6	47.1
1953.....	21.4	21.3	23.5	43.0	45.2	46.9
1954.....	20.9	20.9	23.0	43.3	46.7	42.0
1955.....	20.8	20.9	23.1	44.7	47.4	46.9
1956.....	21.8	22.0	23.7	38.0	41.7	41.4
1957.....	21.3	21.3	22.9	36.3	40.2	41.9
1958.....	19.7	19.8	21.3	34.3	37.4	41.3
1959.....	19.8	20.0	21.6	34.1	37.1	40.2
1960.....	19.4	19.6	21.2	33.5	36.3	40.0
1961.....	19.2	19.6	21.2	33.7	36.7	40.1
1962.....	19.0	19.2	20.8	33.6	36.2	41.6
1963.....	18.4	18.9	20.4	32.4	34.9	41.0

1. Standard deviation divided by the unweighted mean of the State per capita incomes (or taxes).

Source: Office of Business Economics, U.S. Department of Commerce.

Variability Coefficients of Per Capita Personal Income and Per Capita Real Disposable Income

State Differences Show a Persistent Long-Term Decline



U.S. Department of Commerce, Office of Business Economics

65-4-14

Personal Income by States

(Continued from page 15)

31 percent, from 1960 to 1964. Advances were fairly evenly distributed among the regions and had a buoyant effect on incomes everywhere. Changes in military payrolls were the main factor causing some regional variation in government income payments. Major increases in military payrolls occurred in the States of the Rocky Mountain and Southeast regions. The increases in the Rocky Mountain States were due primarily to the manning of recently completed missile sites and the building of additional facilities by the Air Force. In the Southeast, the largest gains were in States where training sites are located.

For the most part, gains in State and local government disbursements were uniform. Only in the Far West was the rate of growth (47 percent)

significantly above the national increase (38 percent). A \$1.6 billion increase in State payrolls accounted for one-eighth of California's expansion in total income.

Other industrial developments

The trade, finance, and service industries advanced 18, 22, and 27 percent, respectively, from 1960 to 1964. Geographic variances from these figures were slight except in the Far West, Southeast, and Plains regions. In the Far West and Southeast, gains in the service industries were above average as consumer markets expanded in response to increased earnings from Government and manufacturing. In the Plains States, changes in agricultural income had a dampening effect on all three industries.

There were also significant changes in construction earnings in a number of States. In Nevada, Arkansas, Vir-

ginia, and North Dakota, construction earnings were up more than 40 percent over the past 4 years. These increases, along with smaller ones in adjoining States, were due mainly to increased activity in Government contracts for aerospace programs and highway projects in the central part of the Nation. In several States, decreases in construction earnings were large enough to affect the growth of total personal income. These declines were generally related to the completion of missile sites in the Plains and Rocky Mountain States and of highway projects in several eastern States.

The tables on page 15 present preliminary estimates of personal income for 1964, together with revised per capita figures for 1960-63. The regular series, based on more complete data, will be published in the August 1965 issue of the SURVEY OF CURRENT BUSINESS.